

# **Appropriations for FY2000: Treasury, Postal Service, Executive Office of the President, and General Government**

May 25, 2000

**Congressional Research Service**

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RL30202

## Summary

P.L. 106-58 (H.R. 2490), signed by the President September 29, 1999, to fund the Department of the Treasury, the Executive Office of the President, several independent agencies and to provide partial funding for the U.S. Postal Service. The act funds the accounts at \$27.99 billion, including mandatories (before scorekeeping by the Congressional Budget Office (CBO)). The consolidated FY2000 funding measure, P.L. 106-113, signed November 29, 1999, requires a cut by 0.38% in all accounts. The administration's budget, to be submitted in early February, will contain a report on the exact amounts of cuts for each of the accounts.

The Senate-passed version of H.R. 2490 would have funded the accounts at \$27.77 billion and the House at \$27.8 billion. The President's FY2000 budget, submitted February 1, 1999, requested a funding level of \$27.997 billion for the mandatory and discretionary accounts. This is an increase over the FY1999 level enacted at just under \$27 billion in regular appropriations, with additional emergency funding. CBO scores the total for the FY2000 funding at \$28.2 billion. The mandatories are \$14.5 billion and the discretionary funding are \$13.7 billion.

In summary, P.L. 106-58, prior to the across-the-board cut, funds the Department of Treasury at \$12,354.6 million, which is \$ 282.6 million less than the FY1999 enacted (which included emergency funding), \$21.5 million less than requested, \$165 million more than the House passed, and \$120 million more than the Senate passed for FY2000. One principle point of difference is the funding for the Internal Revenue Service (IRS). Both the House and Senate would have substantially cut funding in several of the IRS accounts (See **Table 4** for specifics).

Although the total appropriation for the U.S. Postal Service equals the request by the Administration, only \$29 million of the \$93.4 million is available in FY2000. The remainder will be delayed until FY2001.

Title III of the Treasury appropriation funds the Executive Office of the President and accounts entitled, "Funds Appropriated to the President." Under the act, those accounts total \$645.5 million. That funding level is \$6 million more than the President's request, \$9.3 million less than House-enacted, and \$75.4 million more than Senate-enacted. Both the House- and Senate-passed versions would have funded the Office of National Drug Control Policy (ONDCP) at about \$10 million over the request. The major differences between the chamber action and the act are in the Funds Appropriated to the President, which are funds the ONDCP transfers to other entities for drug control efforts.

The independent agencies are funded at \$14.9 billion. That is \$9.1 million less than requested, \$16.6 million more than House-enacted and \$2.5 million more than Senate-enacted. Funding for the General Services Administration and the National Archives and Records Administration represent the largest differences.

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress passes each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Treasury, Postal Service, Executive Office of the President, and General Government. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

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## Most Recent Developments

*On September 29, 1999, President Clinton signed P.L. 106-58 (H.R. 2490), making appropriations for the Department of the Treasury, the Postal Service, the Executive Office of the President and other independent agencies for FY2000. Subsequently, P.L. 106-113, approved November 29, required a 0.38% cut in all funding for FY2000.*

House and Senate conferees reached agreement September 9, 1999. The House agreed to the conference report September 15. The Senate agreed to the report September 16. The bill was sent to the President for signature September 21. In the event the bill was not signed before the close of the fiscal year, the accounts would have been covered in the continuing funding resolution (*H.J.Res. 68*) passed by Congress September 28.

The House, on July 15, passed *H.R. 2490*, by one vote. On July 19, 1999, the Senate passed *H.R. 2490*, amended to incorporate the language of *S. 1282*, as passed the Senate (July 1). The Senate conferees were named that day, with the House conferees named July 21.

Action on FY2000 supplemental funding was pending as Congress left for the Memorial Day break.

## Introduction

The President, through the Office of Management and Budget (OMB) is required to submit to Congress, annually, the Budget of the United States Government. On February 1, 1999, the budget for FY2000 was submitted.<sup>1</sup>

Congress has established a procedure under which it passes a concurrent resolution which establishes the congressional budget for the government and sets forth budgetary levels for several years in the future.<sup>2</sup> The House and Senate Appropriations Committees then allocate the

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<sup>1</sup> U.S. Executive Office of the President, Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2000* (Washington: GPO, 1999). Hereinafter referred to as Budget, with specific budget document cited.

<sup>2</sup> H.Con.Res. 68, 106<sup>th</sup> Congress, agreed to by the House April 14, 1999 and by the Senate April 15, 1999.

discretionary funding levels (302(b) allocations) to each of the subcommittees. Since passage of the FY2000 budget resolution, the committees have changed the allocations several times.<sup>3</sup> The Congressional Budget Office has offered spending and revenue options in the context of budgetary discipline.<sup>4</sup>

Appropriations for the Department of the Treasury, in addition to funding the operations of the department, fund the work of a group of law enforcement organizations, which include the Bureau of Alcohol, Tobacco, and Firearms, the Customs Service, the Secret Service, the Financial Crimes Enforcement Network, and the Federal Law Enforcement Training Center. Treasury appropriations also cover the Internal Revenue Service, the Financial Management Service, and the Bureau of Public Debt.

For the most part, the U.S. Postal Service has become self-supporting. Federal contributions are limited to payments to the Postal Service Fund to compensate for revenues forgone (e.g., free postal service for the blind).

Appropriations for the Executive Office of the President provide salaries and expenses for the White House Offices, operation of the residences of the President and Vice President, and most other agencies within the Executive Office of the President (EOP). Organizations such as the Council of Economic Advisers, the National Security Council, the Office of Management and Budget, and the Office of National Drug Control Policy (ONDCP) are funded through these provisions. Specific funding for drug control initiatives is provided for distribution by ONDCP.

Among the independent agencies financed through P.L. 106-58 are the Federal Election Commission, the General Services Administration, the National Archives and Records Administration, the Office of Personnel Management, the Office of Special Counsel, and the U.S. Tax Court.

P.L. 106-58 provides funding for federal child care facilities. That provision generated considerable concern among some Members and was a point of contention as the conference agreement was discussed. The Senate, in passing S. 1282, added a title to the bill for the purpose of ensuring “the safety and availability of child care centers in Federal facilities.” According to the sponsors of the amendment,

This amendment will require all child care services located in federal facilities to meet, at the very least, the same level of health and safety standards required of other child care centers in the same geographical area.<sup>5</sup>

The House bill, as passed, did not contain all of the child care provisions included in the Senate amendment. However, it did contain the same language addressing the issue of improving the affordability of child care for federal employees. An amendment similar to this year’s Senate amendment was offered to the FY1999 Treasury bill, adopted in the Senate, and fell in conference. The issue is discussed further later in this report.

Among other provisions adopted by the Senate, July 1, the following would

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<sup>3</sup> U.S. Congress, House, Committee on Appropriations, *Report on the Revised Suballocation of Budget Allocations for Fiscal Year 2000*, 106<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 106-217 (Washington: GPO, July 1, 1999) and U.S. Congress, Senate, Committee on Appropriations, *Further Revised Allocation to Subcommittees of Budget Totals for Fiscal Year 2000*, 106<sup>th</sup> Cong., 1<sup>st</sup> sess., S.Rept. 106-101 (Washington: GPO, July 1, 1999).

<sup>4</sup> U.S. Congressional Budget Office, *Maintaining Budgetary Discipline: Spending and Revenue Options* (Washington: GPO, 1999), hereafter referred to as: CBO, *Budgetary Discipline*.

<sup>5</sup> “Treasury and General Government Appropriations Act, 2000,” *Congressional Record*, vol. 145 (Washington: GPO, July 1, 1999) p. S7987, at S7996.

- Convey federal land to the Columbia Hospital for Women;
- Amend the Social Security Act to require the Secretary of Health and Human Services to provide bonus grants to high performance States based on certain criteria and collect data to evaluate the outcome of welfare reform;
- Prohibit the use of funds to pay for an abortion or to pay for the administrative expenses in connection with certain health plans that provide coverage for abortions;
- Provide additional funding to reduce methamphetamine usage in High Intensity Drug Trafficking Areas;
- Increase U.S. Customs Service funding to enable the hiring of 500 new inspectors to stop the flow of illegal drugs into the U.S. and to facilitate legitimate cross-border trade and commerce; and
- Require the Secretary of the Treasury to develop an Internet site where a taxpayer may generate a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various government spending categories.

The Senate rejected the amendment which would have required the inclusion of alcohol abuse by minors in the ongoing national anti-drug media campaign for youth.

The House narrowly passed H.R. 2490 (210-209) on July 15, 1999. The House committee, in an effort to bring total spending down to FY1999's freeze level, had reduced the subcommittee discretionary funding levels by \$249 million. That action contributed to many Members withdrawing support of the bill. The programs affected by that reduction are Treasury-wide systems and capital improvements, Internal Revenue Service (IRS) processing, assistance, and management, IRS tax law enforcement, IRS information systems, and General Services Administration repairs and alterations.

Several amendments were offered during consideration of H.R. 2490. Those subject to voice vote were:

- An amendment to prohibit the import of any children's sleepwear without the labels required by the flammability standards issued by the Consumer Product Safety Commission was agreed to;
- An amendment to change the language of the provision requiring contraceptive coverage in the FEHBP was agreed to, amended;
- An amendment to provide \$3 million for grants to investigate money laundering and related financial crimes; and
- An amendment to establish that no funds may be used to enforce any prohibition on women breastfeeding their children in federal buildings or on federal property.

Those subject to roll call votes were:

- An amendment to strike language limiting funds availability through the Federal Employees Health Benefits Program (FEHBP)—failed;
- An amendment to strike language increasing the President's salary—failed;
- An amendment to amend the amendment offered to change the language of the provision requiring contraceptive coverage in the FEHBP—agreed to; and
- An amendment to limit use of the Exchange Stabilization Fund—failed.

Several House Members offered amendments and then subsequently withdrew them after receiving assurances from the managers of the bill that the issues would either be addressed in conference or would be pursued with the appropriate executive branch administrators. Among those were amendments to provide for the release of frozen assets of a foreign state to satisfy all pending court judgements; to require an U.S. Customs Service report on the conduct of strip searches, including data on the ethnicity, gender, nationality, and race of the individuals subject to the searches; to require that any U.S. Customs officer conducting a strip search be of the same gender as the subject of the search; to study the safety of red-dye kerosene fuel available to elderly and low income individuals; and to allow enrollees in the Federal Employee Health Benefits Program the option of choosing dental, optometry, infertility, or prescription drug benefits in lieu of mandated contraceptive coverage.

An amendment to prevent Members of Congress from receiving a pay adjustment in January 2000 was not in order, under the rule (H.Res. 246) for H.R. 2490, and was not offered on the floor. The act provides increase in the President's salary, to \$400,000, effective January 20, 2001. Compensation issues are discussed elsewhere in this report.

## **Across-the-Board Cuts**

Pursuant to the provisions of P.L. 106-113<sup>6</sup>, the Consolidated Appropriations Act for FY2000, agencies must cut their FY2000 funding by 0.38%. As part of the FY2001 budget submission, expected in early February, the Office of Management and Budget (OMB) will report on the specific reductions in the accounts.

OMB issued a fact sheet (2000-01-10 OMB Fact Sheet, January 10, 2000) in which the Administration stated that the law stipulated that 0.38 percent in savings needed to come from each and every Department. However, within each department, it provided latitude to protect high-priority programs as long as the dollar figure amounting to 0.38 percent was achieved provided certain other conditions were met. OMB provided guidance regarding general principles the Agencies should use to identify cuts:

- The 0.38 cut must not be imposed across the board, but targeted to reflect areas of higher and lower priority;
- Reductions need to come from least critical funding;
- Reductions should be considered from funding that Congress enacted above the President's request,
- Wherever possible, no reductions in force from personnel.

According to OMB, the law also imposed the condition that no reduction in any single program could exceed 15% of its total. In other words, the law did not permit an entire program to be eliminated in order to count toward the savings necessary for a given department. At least 85% of the funding total for the program had to remain intact. Among those accounts identified as being fully protected are the ATF Youth Gun Initiatives and Secret Service Salaries and Expenses.

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<sup>6</sup> P.L. 106-113, Nov. 29, 1999, §1000(a)(5), §301. See CRS Report RS20403, *FY2000 Consolidated Appropriations Act: Reference Guide* by Robert Keith.



The funding levels in the tables in this report are provided by the House Appropriations Committee. The funding levels in the text are, unless otherwise noted, also provided by the House committee. The Senate documentation is noted if there are differences between the two versions. Also, in some instances the account totals may differ between the budget as submitted by the President and the requested funding levels calculated by the House and Senate committees. Any significant differences will be discussed in the text. The committee data are more current and represent the amounts used by Members in considering various funding alternatives.

The Budget documents provided by the Office of Management and Budget and the appropriations bills do not necessarily follow the same organization of accounts. For example, not all of the agencies which are organizationally within the Executive Office of the President, as found in the budget, are funded through the Treasury, Postal Service and General Government appropriations legislation. Also, the FY2000 and FY1999 individual account data in this report do not reflect scorekeeping by the Congressional Budget Office.

See the glossary for definitions of discretionary and mandatory spending. In some instances, the mandatory levels drive up the percent of increase represented in the appropriation. The appropriators are bound by those entitlements under permanent law and control only the discretionary spending levels. The data on the tables and the funding levels provided in the text, unless otherwise noted, reflect the mandatory and discretionary funding combined.

## Status and Legislative History

Public Law 106-58, an act making FY2000 appropriations for the Department of the Treasury, the U.S. Postal Service, the Executive Office of the President and several independent agencies, was signed by President Clinton September 29, 1999.<sup>7</sup>

H.R. 2490 was sent to the President for signature September 21, 1999. In the event he had not signed the bill before the close of FY1999, the accounts were included in a continuing funding resolution (H.J.Res. 68) which passed the Congress September 28 and which expires October 21.<sup>8</sup>

The House Committee on Appropriations Subcommittee on Treasury, Postal Service, and General Government held eight days of hearings during February and March 1999. The subcommittee marked up a bill and sent it to the full committee on May 14. The House Appropriations full committee marked up the subcommittee provisions and reported the bill, H.R. 2490 (H.Rept. 106-231) on July 13, 1999.<sup>9</sup>

Pursuant to a rule for consideration (H.Res. 246, H.Rept. 106-234),<sup>10</sup> H.R. 2490, amended, passed the House July 15, 1999.<sup>11</sup>

<sup>7</sup> P.L. 106-58, September 29, 1999, 113 Stat. 430.

<sup>8</sup> Making continuing appropriations for the fiscal year 2000, *Congressional Record*, vol. 145, 106<sup>th</sup> Cong., 1<sup>st</sup> Sess. (Washington: September 28, 1999). By 98 yeas to 1 nay (Vote No. 296), Senate passed H.J.Res. 68, pp. S11543-53; the House passed H.J.Res. 68, by a yeas and nays vote of 421 yeas to 2 nays with one voting "present", Roll No. 453, pp. H8901-08. H.Res. 305, the rule that provided for consideration of the joint resolution, was agreed to by voice vote, pp. H8896-H8901.

<sup>9</sup> U. S. House, Committee on Appropriations, *Treasury, Postal Service, and General Government Appropriations Bill, 2000*, report to accompany H.R. 2490, 106<sup>th</sup> Cong., 1<sup>st</sup> sess., H. Rept. 106-231 (Washington: GPO, 1999). Hereafter referred to as H.Rept. 106-231.

<sup>10</sup> "Providing for the Consideration of H.R. 2490, Treasury and General Government Appropriations Act, 2000," *Congressional Record*, vol. 145 (Washington: GPO, July 15, 1999), p. H5608-5611.

<sup>11</sup> "Treasury and General Government Appropriations Act, 2000," *Congressional Record*, vol. 145 (Washington: GPO, July 15, 1999), pp. H5612-H5677.



On July 1, 1999, the Senate passed S. 1282, the Treasury appropriations bill for FY2000.<sup>12</sup> By unanimous consent, the Senate agreed to hold the bill at the desk until the companion measure was received from the House.

Several days of hearings were held by the Senate Committee on Appropriations Subcommittee on Treasury, Postal Service, and General Government subcommittee during February, March, and April. The subcommittee had scheduled consideration of the Senate version of the appropriations measure on June 22. However, in lieu of subcommittee action, the full committee marked up the measure June 24. It was introduced as S. 1282, accompanied by S.Rept. 106-87.<sup>13</sup>

On July 19, 1999, the Senate passed H.R. 2490, amended to incorporate the Senate-passed language of S. 1282.<sup>14</sup> Senate conferees were named at that time. The House disagreed with the Senate amendments and insisted on a conference.<sup>15</sup> A motion to instruct was offered and agreed to. Later in the day, conferees were named.<sup>16</sup>

Conferees reached agreement September 9, 1999 and ordered the conference report to be filed (H.Rept. 106-319).<sup>17</sup> The Rule for consideration of H.R. 2490 provided that there would be waivers of all points of order against the provisions of the bill and its consideration (H.Res. 291, H.Rept. 106-322).<sup>18</sup>

The House agreed to the conference language, by a vote of 296-126 (Roll Call No. 426).<sup>19</sup> The Senate agreed to the conference language, by a vote of 54-38 (Vote No. 277), September 16.<sup>20</sup>

For the purposes of legislative history on the FY1999 omnibus funding act, the reader is reminded that P.L. 105-277<sup>21</sup> was a product of using the Transportation appropriation bill (H.R. 4328) as the vehicle for creating the larger bill. The Treasury and General Government appropriation was

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<sup>12</sup> "Treasury and General Government Appropriations Act, 2000," *Congressional Record*, vol. 145, parts I and II (Washington: GPO, July 1, 1999), pp. S7981-S8011, S8036-S8050.

<sup>13</sup> U.S. Congress, Senate, Committee on Appropriations, *Treasury and General Government Appropriation Bill, 2000*, report to accompany S.1282, 106<sup>th</sup> Cong., 1<sup>st</sup> sess., S.Rept. 106-87 (Washington: GPO, 1999). Hereafter referred to as S.Rept. 106-87.

<sup>14</sup> "Treasury and General Government Appropriations Act, 2000," *Congressional Record*, vol. 145 (Washington: GPO, July 19, 1999), p. S8811.

<sup>15</sup> "Appointment of Conferees on H.R. 2490, Treasury and General Government Appropriations Act, 2000," *Congressional Record*, vol. 145 (Washington: GPO, July 21, 1999), pp. H6026-6027.

<sup>16</sup> *Ibid.*, p. H6082.

<sup>17</sup> U.S. Congress, House, *Making Appropriations for the Treasury Department, the United States Postal Service, the Executive office of the President, and Certain Independent Agencies, for the Fiscal Year ending September 30, 2000, and for Other Purposes*, conference report to accompany H.R. 2490, 106<sup>th</sup> Cong., 1<sup>st</sup> Sess., H.Rept. 106-319 (Washington: GPO, 1999). (Hereafter referred to as H.Rept. 106-319.) See also: Conference Report on H.R. 2490, Treasury and General Government Appropriations Act, 2000, *Congressional Record*, vol. 145 (Washington: GPO, September 14, 1999) pp. H8201-H8225.

<sup>18</sup> Waiving Points of Order Against the Conference Report to Accompany H.R. 2490, Treasury, Postal Service, and General Government Appropriations Act, 2000, *Congressional Record*, vol. 145 (Washington: GPO, September 15, 1999) p. H8338.

<sup>19</sup> Conference Report on H.R. 2490, Treasury and General Government Appropriations Act, 2000, *Congressional Record*, vol. 145 (Washington: GPO, September 15, 1999) pp. H8339-H8351.

<sup>20</sup> Treasury and General Government Appropriations Act, 2000—Conference Report, *Congressional Record*, vol. 145 (Washington: GPO, September 16, 1999) pp. S10965-10968

<sup>21</sup> P.L. 105-277, §101(h), October 21, 1998, 112 Stat. 2681, at 2681-480. See: Conference Report on H.R. 4328, making omnibus consolidated and emergency supplemental appropriations for fiscal year 1999, *Congressional Record*, daily edition, October 19, 1998, p. H11044, *et. seq.*

subject to congressional action as H.R. 4104 (105<sup>th</sup> Congress) prior to being included in the omnibus measure.

**Table I. Status of FY2000 Appropriations for the Treasury, Postal Service, Executive Office of the President and General Government**

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf.	Conference Report Approval		Public Law
House	Senate						House	Senate	
5/14/99	6/22/99 scheduled	7/13/99 H.Rept. 106-231	7/15/99	6/24/99 S.Rept. 106-87	7/16/99	9/14/99 H.Rept. 106-319	9/15/99	9/16/99	9/29/99 P.L. 106-58

## Budget and Key Policy Issues

### Department of the Treasury

The Department of the Treasury has both financial and law enforcement functions. The financial functions are carried out by the Financial Management Service, the Mint, and the Bureau of Public Debt. The law enforcement functions are carried out by the Customs Service, the Secret Service, the Bureau of Alcohol, Tobacco and Firearms, and the Financial Crimes Enforcement Network, and the Federal Law Enforcement Training Center. The Internal Revenue Service has both a financial function—to determine and audit tax obligations—and a law enforcement function—to enforce collection of amounts due.

P.L. 106-58 funds the Department of the Treasury at \$12,354,616,000. The single largest account within the department's funding is the Internal Revenue Service, at \$8,248,774,000.

For FY1999, Congress appropriated \$12,637,225,000 to the Department of the Treasury (P.L. 105-277), including emergency funding. Of this amount, \$8,375,165,000 (including emergency Y2K funding), or 66.3 % of the total departmental funding, was allocated to the Internal Revenue Service. The President's budget request for FY2000 totals somewhat less—\$12,376,130,000 for the department with \$8,248,774,000 allocated for the IRS. Of the total departmental request, 66.6% would be assigned to the IRS.

As passed by the Senate July 1, 1999, S. 1282 would have funded the department accounts at \$12,234,649,000. As passed by the House July 15, 1999, H.R. 2490 would have funded the accounts at \$12,189,648,000. An amendment agreed to in the House would have earmarked \$3 million to be used for grants in combating money laundering.

The House Appropriations Subcommittee on Treasury, Postal Service and General Government marked up the FY2000 appropriations measure on May 14. Their mark for the Department of the Treasury was \$12,329,592,000. On July 13, the House Appropriations Committee reported their bill. As reported, H.R. 2490 would fund the Department of Treasury at \$12,198,648,000.

According to a July 13 press release from the committee, a major amendment to the subcommittee mark would reduce funding to the department by \$139 million: \$4.9 million to Treasury-wide Systems and Capital Improvement; \$42.4 million to IRS Processing, Assistance,

and Management; \$31.7 million to IRS Tax Law Enforcement; and \$60.86 million to IRS Information Systems.

On June 24, the Senate Committee on Appropriations reported their bill. The funding level in the Senate would be \$12,213,529,000. Senate floor action would have increased funding, beyond the Senate committee spending levels, for the U.S. Customs Service, the High Intensity Drug Trafficking Areas program for reducing methamphetamine usage, and for the Bureau of Alcohol, Tobacco, and Firearms' Youth Crime Gun Interdiction Initiative.

The Department of the Treasury established the Office of Treasury Inspector General for Tax Administration in January 1999, as required by P.L. 105-206, the Internal Revenue Service Restructuring and Reform Act of 1998. The IRS Office of the Chief Inspector was abolished. To provide the necessary flexibility for establishing and reorganizing the new office, the House Appropriations Committee authorized voluntary separation incentives for the office's employees. The incentives of up to \$25,000 may be offered from October 1, 1999 through January 1, 2003. The Office of the Treasury Inspector General for Tax Administration may redeploy or use the positions vacated through voluntary separations to make other positions available to more critical locations or more critical occupations.

The Chicago Financial Center of the Department of the Treasury's Financial Management Service is being closed. To provide the necessary flexibility to carry out the closure, the House Appropriations Committee authorized voluntary separation incentives for the center's employees. The incentives of up to \$25,000 may be offered from October 1, 1999 through January 31, 2000. The Secretary of the Treasury, prior to obligating any resources for the payments, must submit a strategic plan to the Office of Management and Budget outlining the intended use of the payments and a proposed organizational chart for the agency once the payments have been completed. The total number of funded positions in the agency will be reduced by one full-time equivalent position for each vacancy created by a separation incentive. This provision could be waived if the agency demonstrated that the positions would better be used to reallocate occupations or reshape the workforce and to produce a more cost-effective result.

### ***Bureau of Alcohol, Tobacco, and Firearms (ATF)***

The Bureau of Alcohol, Tobacco, and Firearms (ATF) is a law enforcement agency that monitors compliance with federal laws related to the manufacture, importation, and distribution of alcohol, tobacco, firearms, and explosives. While these laws prohibit certain illegal activities, they also regulate legal activities related to these commodities. ATF also enforces federal laws related to arson. In enforcing federal law, ATF officers often work closely with other federal, state, and local law enforcement officers. ATF's mission is focused on three goals: 1) reducing crime, 2) collecting revenue, and 3) protecting the public.

For FY2000, P.L. 106-58 provides ATF with \$605,879,000 in total funding, an amount that includes a direct appropriation of \$565,959,000 for the salaries and expenses account, and an additional appropriation of \$40,920,000 from the Violent Crime Reduction Trust Fund. In conference report language, conferees directed the Department of Treasury to allocate another \$34,947,000 from the Treasury Asset Forfeiture Fund for ATF.

The ATF direct appropriation of \$565,959,000 is \$1,100,000 less than the amount proposed by the House, and \$4,386,000 less than the amount proposed by the Senate. Also, the amount is 2% over the agency's FY1999 funding of \$552,769,000, but 3% below the Administration's FY2000 request of \$584,859,000. Over and above this amount, the Administration also requested \$15,000,000 for the relocation of ATF headquarters and laboratory facilities, but conferees

instructed the agency in report language to find funding for this initiative in the Treasury Asset Forfeiture Fund.

For the Youth Crime Gun Interdiction Initiative (YCGII), a program that coordinates federal, state, and local law enforcement agency efforts to eliminate illegal sources of firearms for juveniles and youth, the act provides \$51,320,000 in total funding. This funding will allow ATF to expand this program from 27 to 37 cities in FY2000. Of this amount, \$39,000,000 is earmarked in ATF's direct appropriation. The additional \$12,320,000 is earmarked for ATF from the Violent Crime Reduction Trust Fund. Also, included in this trust fund is an earmark of \$13,000,000 for ATF's Gang Resistance Education and Assistance Training grant program, and another \$3,000,000 for ATF to administer this program.

In addition, the conferees earmarked \$5,000,000 to expand the Integrated Ballistic Identification System, as earmarked in the House report language. The conferees also earmarked, as in House report language, \$5,000,000 for implementing the tobacco compliance provision arising from the 1997 balanced budget agreement, which gave ATF the authority to enter and examine commercial enterprises that re-import U.S. cigarettes in an attempt to bypass taxes and licensing fees.

Among ATF's activities, the regulation and enforcement of laws related to firearms commerce and possession appear to be the most controversial. Consistent with language included in ATF appropriations in previous years, the agency's appropriations bill language specifies that agency funding cannot be used to consolidate or centralize the records, or any portion of the records, of the acquisition and disposition of firearms that are maintained by Federal Firearm Licensees. In addition, the agency's appropriations bill language specifies that agency funding cannot be used to implement regulations modifying the term "curios or relics," or investigate relief for individuals disqualified from possessing a firearm or for corporations disqualified from dealing in firearms. Furthermore, the act's general provisions make permanent a provision that allows Federal Firearms Licensees to perform a background check before a firearm is offered as collateral for a loan.

Both the House and Senate, meanwhile, have acted on gun control-related legislation. For further information, see CRS Issue Brief IB10014, *Gun Control*.

### ***Customs Service***

The U.S. Customs Service, the federal government's oldest regulatory agency, is responsible for monitoring the movement of persons, carriers, merchandise, and commodities between the United States and other countries. In FY1998, Customs inspected nearly 460 million passengers, 121 million private vehicles, 237 million private and commercial aircraft, 10 million commercial trucks, and 5 million vessel cargo containers. As part of this process, Customs also assesses trade-related duties, taxes, and fees on imported merchandise, collecting about \$22 million in revenue annually.

For FY2000, P.L. 106-58 provides the Customs Service with \$1,878,052,000 in total appropriated funding. This amount includes funding from four sources. The first three sources make up Customs' core funding of \$1,817,052,000, and include: 1) a direct appropriation from the General Fund of \$1,705,364,000 for salaries and expenses, 2) an appropriation of \$3,000,000 in fee receipts from the Harbor Maintenance Fee Account for salaries and expenses, and 3) another direct appropriation of \$108,688,000 for the Air and Marine Interdiction Programs. The fourth source is the Violent Crime Reduction Trust Fund from which \$61,000,000 is provided for Customs. In addition, conferees directed the Department of Treasury to allocate \$64,493,000 from the Treasury Asset Forfeiture Fund for Customs.

Core funding for Customs (\$1,817,052,000), as provided by the act, is \$450,000 less than the amount approved by the House, and \$34,617,000 more than the amount passed by the Senate. By comparison, the Administration's FY2000 request for the Customs Service of \$1,829,783,000 was \$219,371,000 less than the previous year's appropriation. This decrease, however, was largely reflective of supplemental appropriations for FY1999 totaling \$276,000,000 to increase counter-drug trafficking activities. A large part of this funding was for the one-time acquisition of aircraft and non-intrusive inspection technology.

Conferees earmarked in report language a number of budget enhancements for FY2000, which include 1) \$35,000,000 to upgrade automated systems that track imports, 2) \$9,000,000 for additional non-intrusive mobile personal inspection technology, 3) \$5,011,000 for the forced child labor program, 4) \$2,000,000 for money laundering outbound detection technology, and 5) \$1,600,000 for the Cybersmuggling Center.

The conferees, as did the Senate and House, rejected the Administration's proposal to enact a user fee as a means to generate funding to modernize the Automated Commercial System (ACS) and continue the development of the Automated Commercial Environment (ACE). The ACS is used by the Customs Service to track, control, and process all commercial goods imported into the United States. In recent years, this system has proved inadequate and has suffered from "brownouts" that inhibit international commerce. To upgrade the old system and continue development of the second, the act provides \$35,000,000 for FY2000. While it has been estimated that it will cost \$1,800,000,000 over four years to develop the ACE system, the conferees requested the Customs Service to provide the revised blueprint, schedule, and budget for ACE not later than the time when the Administration makes its FY2001 budget submission to Congress.

The act provides \$4,000,000 in total FY2000 funding for Custom's Cybersmuggling Center, which includes \$2,400,000 provided for the center from the Violent Crime Reduction Trust Fund, as recommended by both the Senate and the House committees. Custom's Cybersmuggling Center tracks and investigates child pornography trafficking and child exploitation over the Internet. The Senate would have provided an increase of \$4,000,000 to expand the Customs Integrity Awareness Program to improve screening of new job applicants and to administer polygraph examinations to candidates for positions that are the most susceptible to corruption; the conferees were silent on this initiative.

The conferees addressed several other issues in report language. Regarding operations on the Southwest border, conferees earmarked \$25,000,000 from the Treasury Asset Forfeiture Fund for the Southwest border initiative. Conferees also instructed the Customs Service to maintain current levels of staffing in Arizona, and to report to the Appropriations Committees by March 31, 2000, on what resources would be necessary to reduce wait times at Southwest border ports of entry to not more than 20 minutes. Further, within 60 days of enactment of this appropriations act, conferees required that the Customs Service submit to the Appropriations Committees its recommendations for reducing wait times and improving contraband detection at Southwest border ports of entry.

Responding to allegations that some Customs inspectors inordinately target African-Americans and Hispanic-Americans for personal searches and detention, the conferees directed the Secretary of the Treasury to submit a report to Congress on the Customs Service's personal search and detention procedures by February 15, 2000.

Regarding international ports of entry in general, the conferees required the Customs Service, with the General Services Administration, to assess current infrastructure at international ports and provide a report to the appropriations committees within 9 months of the enactment of this



appropriations act. Conferees also urged the Customs Service to evaluate the merits of creating new international ports of entry at airports in 1) Fargo, North Dakota; 2) San Antonio, Texas; and 3) Manchester, New Hampshire. The act provides \$725,000 and directs the Customs Service to create a Northern Plains agricultural economics program to analyze issues related to bilateral U.S./Canada trade issues on the northern plains.

Finally, conferees expressed their strong dissatisfaction that the Customs Service did not deliver its air and marine fleet modernization plan, which was to be submitted with the Administration's FY2000 budget. Conferees reiterated that this plan is to include life span and replacement schedules for Customs craft, associated operations and maintenance activities, and cost projections for fleet modernization, and stipulated that they expected prompt completion and delivery of the plan.

### ***Internal Revenue Service (IRS)***

P.L. 106-58 provides funding of \$8,248,774,000 to the IRS for FY2000. For FY1999, Congress appropriated \$8,375,165,000 (including emergency Y2K funding), to the IRS accounts. The President's budget request for FY2000 would fund \$8,248,774,000 to the IRS. Excluding emergency funding from the total FY1999 enacted, shows the President's FY2000 request exceeding the regular FY1999 funding.

The Senate agreed to a funding level of \$8,191,135,000. An amendment was adopted by the Senate to require the Secretary of the Treasury to develop an Internet site where a taxpayer may generate a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various government spending categories.<sup>22</sup>

The House Treasury Subcommittee had recommended an appropriation of \$8,244,774,000. The bill reported from full committee on July 13 included a major amendment which would reduce funding to the department by \$139 million: \$4.9 million to Treasury-wide Systems and Capital Improvement; \$42.4 million to IRS Processing, Assistance, and Management; \$31.7 million to IRS Tax Law Enforcement; and \$60.86 million to IRS Information Systems. As reported and passed in the House, the bill would have funded the IRS at \$8,109,774,000. The House conferees were instructed to restore \$50 million in funding for the IRS to complete its Y2K compliance effort.

The President's budget for FY2000 lists implementation of IRS reforms as a Priority Management Objective.<sup>23</sup> Specifically, the modernization of the IRS' organization and its information technology to better serve taxpayers and improve productivity are stated as the major goals of the restructuring. In December 1998, the service let a contract for designing and installing information technology improvements. In the spring of 1999, IRS Commissioner Charles Rossotti is due to begin implementation of system improvements.

In the 105<sup>th</sup> Congress, P.L. 105-206 was enacted to address long standing operational problems in the IRS.<sup>24</sup> On January 8, the first report to Congress mandated by the new law was delivered. The report, *1998 IRS National Taxpayer Advocate's Annual Report to Congress*,<sup>25</sup> spelled out action

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<sup>22</sup> "Treasury and General Government Appropriations, 2000," *Congressional Record*, vol. 145, part II (Washington: GPO, July 1, 1999), p. 8044.

<sup>23</sup> Budget, *Budget*, Table IV-2, p. 56 and 56.

<sup>24</sup> See CRS Report 97-984, *Restructuring the Internal Revenue Service in the 105<sup>th</sup> Congress: P.L. 105-206*, by Sylvia Morrison.

<sup>25</sup> Bureau of National Affairs, *Daily Tax Report*, (Washington: BNA, January 8, 1999).

taken by the National Taxpayer Advocate, as required by the statute to address IRS issues with taxpayers.

### ***Secret Service***

The U.S. Secret Service provides for the protection and security of the President, Vice President, and other dignitaries and designated persons. It is also responsible for the protection of the White House and other Washington, D.C., buildings, as well as the enforcement of federal laws pertaining to financial crimes and frauds. P.L. 106-58 provides regular funding of the Secret Service at \$672,235,000. In addition, the agency is to receive \$4,200,000 under the Violent Crime Reduction Program (Crime Control Trust Fund).

For FY2000, the President had requested \$661,312,000 for salaries and expenses for the Secret Service.

On July 1, 1999, the Senate agreed to an appropriation of \$643,739,000, including \$638,816,000 to carry out its presidential candidate and nominee protection, protective research, and counterfeiting investigations, and \$3,196,000 for the National Center for Missing and Exploited Children.

The bill, as reported to the House from the full committee, would provide an appropriation of \$643,739,000. On July 15, 1999, the House agreed to an appropriation of \$666,235,000 for protective functions, acquisition, and improvements.

### **Postal Service**

While the U.S. Postal Service (USPS) generates most of the funding it requires through sales of its products and services, it also receives an appropriation from the federal government. The USPS receives an annual appropriation to its Postal Service Fund to pay for revenue forgone on free and reduced rate mail (for the blind and visually impaired and overseas voting). P.L. 105-277 provided FY1999 funding at \$71,195,000. Supplemental appropriations for FY1999 provided an additional \$29,000,000 for revenue forgone reimbursement. For payment to the Postal Service Fund for revenue forgone for FY2000, the President is requesting \$93,436,000. P.L. 106-58 provides funding at \$93,436,000, with \$29,000,000 prior to October 1, 2000 and the remaining \$64,436,000 deferred until October 1, 2000.

P.L. 105-277 required that the Postal Service submit, within six months of enactment, a report on its current and future commercial services. Further language required the USPS to report on its packaging service, especially how such service meets customer demand nationally, especially in rural areas, before such service is initiated. In compliance with P.L. 105-277, the report was submitted by the Postal Service to the Appropriations Committee in April 1999.

Finally, P.L. 105-277 amended the USPS' international service agreements by making the Secretary of State solely responsible for formulating, coordinating, and overseeing foreign policy related to international postal and delivery services. USPS officials, with presidential consent, may establish international rates and/or fees for mail and delivery services. Regarding the importing or exporting of mail shipments, the USPS is required to follow the same procedures and laws applicable to similar shipments transmitted by or to private companies.



## Executive Office of the President and Funds Appropriated to the President

The Treasury, Postal Service, and General Government appropriations bill funds all the offices in the Executive Office of the President (EOP), except the following three offices—the Council on Environmental Quality and the Office of Science and Technology Policy (both funded under Veterans Affairs, Housing and Urban Development, and Independent Agencies appropriations), and the Office of the United States Trade Representative (funded under Commerce, Justice, State, and the Judiciary and Related Agencies appropriations). Moreover, the Federal Drug Control Programs account, which comprises almost two-thirds of EOP's appropriation, is not for use by agencies within EOP, but for transfer to federal and state entities for their drug control programs. The Office of National Drug Control Policy (ONDCP), which is located in the EOP, distributes the funds to federal and state entities.

The FY2000 appropriations for the offices in the EOP that are funded by the Treasury appropriations act total \$645,489,000, which is .9% more than the \$639,498,000 requested by the President, and 3.7% less than the \$670,112,000 appropriated for FY1999. The House initially approved an appropriation of \$654,762,000, and the Senate an appropriation of \$570,128,000. The smaller amount initially appropriated by the Senate was due to a decrease in the funding for the special forfeiture account in the Federal drug control program.

The specific accounts are discussed below. In those cases in which there is no difference between P.L. 106-58, the FY2000 request, and Senate or House passage only the appropriation is noted.

### *Compensation of the President*

The FY2000 appropriation is \$250,000, and includes an allowance of \$50,000 for official expenses. This is the same amount as appropriated in FY1999.

The act includes an increase in the President's salary to \$400,000 *per annum*, effective with the change in administration in January 2001. Hearings on the issue were held May 24 by the House Committee on Government Reform Subcommittee on Government Management, Information, and Technology.<sup>26</sup> An amendment to strike the provision failed during consideration of H.R. 2490 on the House floor.

### *White House Office*

The FY2000 appropriation is \$52,444,000 for salaries and expenses in the White House Office, the amount requested by the President, and an increase of .2% over the \$52,344,000 appropriated in FY1999. The FY2000 appropriation includes \$10,313,000 for reimbursements to the White House Communications Agency, a Department of Defense component which has historically provided non-telecommunications support services. The reimbursements are in accordance with P.L. 104-21.

### *Executive Residence (White House)*

The FY2000 appropriation is \$9,260,000, an increase of 6.5% over the \$8,691,000 appropriated in FY1999. The FY2000 appropriation includes \$810,000 for the repair, alteration, and improvement of the Executive Residence. (Maintenance and repair costs for the White House are

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<sup>26</sup> A listing of the witnesses and the transcripts of the Chairman and several witnesses' statements can be found on the subcommittee's web site: <http://www.house.gov/reform/gmit/hearings/hindex.htm>

also funded by the National Park Service as part of that agency's responsibility for national monuments. Entertainment costs for state functions are funded by the Department of State.) As in previous appropriations statutes, reimbursable political events in the Executive Residence are to be paid for in advance by the sponsor, and all such advance payments are to be credited to a reimbursable expenses account. The political party of the President is to deposit \$25,000 to be available for expenses relating to reimbursable political events during the fiscal year.

### ***Special Assistance to the President (Office of the Vice President) and Official Residence of the Vice President***

The FY2000 appropriation is \$3,617,000 for the Office of Vice President, an increase of 3% over the \$3,512,000 appropriated in FY1999. The FY2000 appropriation includes \$345,000 for the Official Residence of the Vice President, an increase of 3.3% of over the \$334,000 appropriated in FY1999. Up to \$90,000 could be used for official entertainment expenses.

### ***Council of Economic Advisers***

The FY2000 appropriation is \$3,840,000, an increase of 4.7% over the \$3,666,000 appropriated in FY1999.

### ***Office of Policy Development***

The FY2000 appropriation is \$4,032,000, the same as appropriated in FY1999.

### ***National Security Council***

The FY2000 appropriation is \$6,997,000, an increase of 2.8% over the \$6,806,000 appropriated in FY1999.

### ***Office of Administration***

The FY2000 appropriation is \$39,198,000, which is 32.6% less than the \$58,141,000 appropriated in FY1999. (The FY1999 appropriation included \$29,791,000 in emergency funding for Y2K conversion. An additional \$12,000,000 was transferred to the office from other accounts.) Of the FY2000 funds, \$8,806,000 is to be available for a capital investment plan which provides for the modernization of the information technology infrastructure. Title VI, section 638, calls for the creation of a Chief Financial Officer in the EOP. The House initially approved an FY2000 appropriation of \$39,448,000, of which \$250,000 was to be used to establish the new position

### ***Office of Management and Budget (OMB)***

The FY2000 appropriation is \$63,495,000, an increase of 4.7% over the \$60,617,000 appropriated in FY1999. To combat crimes against intellectual property rights, the Senate Appropriations Committee has directed the Director of OMB to submit a plan to establish an inter-agency National Intellectual Property Coordination Center, not later than February 15, 2000, unless the President determines that such a center is not necessary.<sup>27</sup> The committee also directs

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<sup>27</sup> S.Rept. 106-87, p. 47.

the Director to prepare an inventory of Federal grant programs for fiscal year 1999, as a step in simplifying and consolidating the federal grant process.<sup>28</sup>

### ***Office of National Drug Control Policy (ONDCP)***

The FY2000 appropriation is \$52,201,000, an increase of 21% over the President's request of \$43,133,000, and an increase of 6% over the \$49,242,000 FY1999 appropriation. The appropriation consists of two line items, \$22,951,000 for Salaries and Expenses, of which \$1,100,000 shall be available for policy research and evaluation, and \$1,000,000 for the National Alliance for Model State Drug Laws; and \$29,250,000 for the Counterdrug Technology Assessment Center, consisting of \$16,000,000 for counternarcotics research and development projects, and \$13,250,000 for the continued operation of the technology transfer program. The \$16,000,000 for counternarcotics research and development projects shall be available for transfer to other Federal departments or agencies. The focus of the increased funding would be the media campaign to reduce and prevent drug use among youth. A proposal to include underage alcohol consumption as a target in that media campaign was dropped from the bill, as provided by the subcommittee. The Congressional Budget Office, in offering options for government-wide spending cuts, suggested that additional appropriations for the media campaign should be eliminated. Their report presumes that the effectiveness of the campaign would be sustained at the level of funding appropriated in FY1999.<sup>29</sup>

Appropriations also include funding for two federal drug programs that ONDCP is to transfer to federal and state entities. The FY2000 appropriation for the High Intensity Drug Trafficking Areas (HIDTA) is \$192,000,000, an increase of 3.3% over the President's requested \$185,777,000 (\$1,800,000 for auditing services), and an increase of 3.8% over the \$184,977,000 appropriated in FY1999. The FY 2000 appropriation for the Special Forfeiture Fund is \$216,000,000, which is 4.1% less than the \$225,300,000 the President requested, and the same as appropriated in FY1999.

### ***Unanticipated Needs***

The FY2000 appropriation is \$1,000,000 for discretionary expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad. In FY1999, two additional appropriations were included under this account that are not included in FY2000. Both appropriations were included under the Omnibus Consolidated and Emergency Supplemental Appropriations Act. One was \$30,000,000 (of which \$10,000,000 was later rescinded) for a grant to the Red Cross for reimbursement of disaster relief, recovery expenditures and emergency services (P.L. 105-277, 112 Stat. 2681, at 2681-576). The second was emergency funding of \$2,250,000,000, for Year 2000 conversion of federal information technology systems, and related expenses, with allocations specified (P.L.105-277, 112 Stat. 2681, at 2681-572). areas throughout the United States. Those surveys are conducted, but the pay adjustments have been limited through language in the Treasury bill for several years.

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<sup>28</sup> *Ibid.*, pp. 47-48.

<sup>29</sup> CBO, *Budgetary Discipline*, p. 214.

## **Independent Agencies**

### ***Federal Election Commission (FEC)***

The Federal Election Commission (FEC) administers federal campaign finance law, oversees disclosure requirements, limits on contributions and expenditures, and the presidential election public funding system, and retains civil enforcement authority. For Fiscal Year 2000, Congress appropriated \$38,152,000 to fund the FEC, \$364,000 less than the Administration's request of \$38,516,000.

P.L. 106-58 also makes three statutory changes in FEC operations, based on proposals by a recent Price Waterhouse Coopers management study. Aimed at improving operations, these new provisions give the FEC authority to require electronic filing by committees meeting a threshold financial activity level, allow an administrative fine schedule for minor, unambiguous disclosure violations (with reasonable appeals procedures), and allow candidate report filing on an election cycle, rather than calendar year, basis.

The Administration's request of \$38.5 million constituted a 5.5% increase over the \$36.5 million appropriated for the agency in FY1999. Of the \$38.5 million total, no less than \$4.9 million was designated for computer modernization, 10.5% more than was earmarked for such purposes in the prior year. While the agency has been criticized as either overly intrusive or insufficiently vigilant in its enforcement capacities, depending on the source, there has been widespread support for improving the automated data processing systems. Through greater availability and use of electronic disclosure, computer modernization is seen as a way to alleviate burdens on staff resources and enforcement functions.

The Senate adopted its Appropriations Committee's recommendation of \$38,175,000 for the FEC, \$341,000 less than was requested. Of the total, no less than \$4.9 million would be designated for computer modernization—the same amount specified in the Administration's request. The House approved its Appropriations Committee's recommendation for \$38,152,000—\$364,000 less than was requested, and with the proviso that no less than \$4.9 million would be designated for computer modernization. The House total reflected a cut of five full-time positions from the nine new ones requested. The House appropriation figure was \$23,000 lower than the Senate figure, but both earmarked the same \$4.9 million for computer modernization. The conference committee accepted, and Congress agreed to, the House-approved appropriation of \$38,152,000.

The three legislative provisions ultimately enacted had been included first in the House bill, as per its Treasury subcommittee's recommendation. The Senate version did not contain these provisions. The conference committee accepted, and Congress agreed to, the provisions earlier approved by the House.

### ***Federal Labor Relations Authority (FLRA)***

P.L. 106-58 provides funding of \$23,828,000 for the FLRA. This amount matches the President's budget request and is 5.5% above the \$22,586,000 appropriated in FY 1999. This was also the House-passed funding and is \$147,000 more than that passed by the Senate. The agency serves as a neutral party in the settlement of disputes that arise between unions, employees, and agencies on matters outlined in the federal service labor management relations statute; decides major policy issues; prescribes regulations; and disseminates information appropriate to the needs of agencies, labor organizations, and the public.

### ***General Services Administration (GSA)***

Established in 1949, GSA administers and coordinates the federal civilian acquisition policy program. The agency also oversees the management of federal real and surplus property, which includes the construction and maintenance of federal buildings. Other functions include transportation, telecommunications, and information systems technology management.

For FY2000, the President requested \$158,316,000 for GSA's operating expenses. The President's request also prescribed \$5,345,100,000 (from revenues) in new obligational authority for GSA's Federal Buildings Fund for real property management and related activities. P.L. 106-58 provides funding for GSA at \$151,781,000, more than the Senate had voted and less than the House. The principle difference is in the policy and operations account.

On July 13, 1999, the House Committee on Appropriations agreed to a funding level of \$146,006,000 for GSA's FY2000 operating expenses. The House, in passing H.R. 2490, did not change the funding level further.

In their June 24 report, the Senate committee recommended that funds in the Federal Buildings Fund be transferred to meet program requirements, subject to advance approval by the Appropriations Committees. No funds were to be used in FY2001 for courthouse construction not meeting the Administrative Office of the U.S. Court's five-year plan and design standards. Any new proposed construction plan was required to include a standardized courtroom utilization study. No funds were to be used to provide cleaning services or security enhancements usually provided through the Federal Buildings Fund to any agency not paying GSA's assessed costs. Claims against the government of less than \$250,000 from direct construction were to be liquidated from savings in other projects, with prior notification to the Appropriations Committees. Funds made available for new construction projects by the Omnibus Consolidated Appropriations Act of 1997 (Public Law 104-208) were to remain available prior to September 30, 1999. A total of \$59,203,500 is not to be made available for rental of space and \$59,203,500 is not to be made available for building operations from the "Federal Buildings Fund Limitations on Availability of Revenue."

During floor consideration and adoption of S. 1282 on July 1, 1999, in addition to funding of GSA at \$156,297,000, two GSA amendments were agreed to by the Senate. Senate Amendment No. 1192 increased the aggregate amount available in the Federal Buildings Fund to \$5,261,478,000. The Campbell Amendment (No. 1218), agreed to by voice vote, reaffirmed aggregate reductions in the Federal Buildings Fund for rental of space and buildings operations.

### ***Merit Systems Protection Board (MSPB)***

P.L. 106-58 provides funding of \$27,586,000 for the MSPB. Additionally, \$2,430,000 will be transferred from the Civil Service Retirement and Disability trust fund for administrative expenses to adjudicate retirement appeals. This amount matches the President's budget request. The agency's FY 1999 appropriation was \$25,805,000 and emergency funding of \$66,000 was provided for Y2K conversion. These amounts totaled \$25,871,000. The law, not including the trust fund transfer, is 6.9% above the \$25,805,000 and 6.6% above the \$25,871,000. The funding provided by the law was also the House-passed amount and is \$164,000 more than that passed by the Senate. The MSPB assists federal agencies in running a merit-based civil service system.

### ***National Archives and Records Administration (NARA)***

The custodian of the historically valuable records of the federal government since its establishment in 1934, NARA also prescribes policy and provides both guidance and



management assistance concerning the entire life cycle of federal records. It also administers the presidential libraries system; publishes the laws, regulations, and presidential and other documents; and assists the Information Security Oversight Office (ISOO), which manages federal security classification and declassification policies, and the National Historical Publications and Records Commission (NHPRC), which makes grants nationwide to help nonprofit organizations identify, preserve, and provide access to materials that document American history.

P.L. 106-58 provides \$223,468,000 in funding for NARA. This funding level is higher than either the House or Senate had originally passed. It represents more funding for repairs and restoration than either version. The operating expenses are the same as those passed by the House but higher than the Senate's figure.

In the House, the July 15, 1999, passage of H.R. 2490 resulted in a recommendation of \$180,398,000 for NARA FY2000 operating expenses. This amount is \$6,054,000 less than the \$186,452,000 requested by the President, and is \$44,216,000 less than the \$224,614,000 appropriated for FY1999. Operating expenses include costs incurred in connection with the administration of NARA (including ISOO), archived federal records and related activities, and the review and declassification of documents. The additional \$6 million requested for FY2000 for NHPRC operations and programs, which is \$4 million less than the amount appropriated for the commission for FY1999, was recommended by the committee, as well. The panel also agreed to the President's recommendation of the establishment of a records center revolving fund and an appropriation of \$22,000,000 as initial capitalization of the fund. This revolving fund is available for expenses and equipment necessary to provide for storage and related services for all temporary and prearchival federal records to be or actually stored at federal national and regional records centers by agencies and other instrumentalities of the federal government.

In the Senate, the FY2000 funding levels for NARA provided in S. 1282, as amended and reported from committee, remained unchanged during floor consideration and adoption of the bill on July 1, 1999. As reported on June 24, 1999, the bill recommended \$179,738,000 for NARA FY2000 operating expenses. This amount was \$6,714,000 less than the \$186,452,000 requested by the President, and was \$44,876,000 less than the \$224,614,000 appropriated for FY1999. The \$6 million requested for NHPRC FY2000 operations and programs was met by the Senate committee and an additional \$250,000 was included, making the total amount recommended \$6,250,000. The additional \$250,000 was provided for the Fort Buford reconstruction project, deemed "an important Lewis and Clark 'Corps of Discovery' site" by the committee. The records center revolving fund and its initial \$22 million capitalization as recommended in the President's budget was also adopted by the committee.

### *Office of Government Ethics (OGE)*

The Office of Government Ethics, a small agency within the executive branch, was established by the Ethics in Government Act of 1978. Originally part of the Office of Personnel Management, OGE became a separate agency on October 1, 1989, as part of the Office of Government Ethics Reorganization Act of 1988. The Office of Government Ethics exercises leadership in the executive branch to prevent conflicts of interest on the part of government employees, and to resolve those conflicts of interest that do occur. In partnership with executive branch agencies and departments, OGE fosters high ethical standards for employees and strengthens the public's confidence that the Government's business is conducted with impartiality and integrity. P.L. 106-58 provides funding of \$9,114,000, the same amount as the FY2000 budget request. This is a 7.3% (\$622,000) increase from the \$8,492,000 appropriated for FY1999. During congressional consideration of the measure, the House voted the amount requested by the President. However,

when the Senate passed the measure, it included \$9,071,000 for OGE, \$43,000 less than the budget request.

### ***Office of Personnel Management (OPM)***

P.L. 106-58 provides a total current appropriation of \$14,354,105,000 for OPM. Funding of \$90,584,000 is provided for the salaries and expenses account. (This was the House-passed amount and is \$1,000,000 less than the Senate-passed funding and the President's budget request.) The law also provides an appropriation of \$960,000 for the Office of Inspector General (OIG) salaries and expenses and mandatory funding of \$5,105,482,000 for the government payment for annuitants of the employees health benefits program (FEHB), \$36,207,000 for the government payment for annuitants of the employees life insurance program, and \$9,120,872,000 for payment to the civil service retirement and disability fund. Trust fund transfers of \$95,486,000 for salaries and expenses and \$9,645,000 for OIG salaries and expenses are provided as well. (In FY 1999, \$91,236,000 for salaries and expenses and \$9,145,000 for OIG salaries and expenses were transferred from trust funds.) The agency's FY 1999 appropriation was \$13,478,212,000 and emergency funding of \$2,428,000 was provided for Y2K conversion. These amounts totaled \$13,480,640,000. Not including the trust fund transfers, the combined discretionary and mandatory funding provided by the law is 6.5% above the FY 1999 amount for the agency which is responsible for administering personnel management functions.

### ***Office of Special Counsel (OSC)***

P.L. 106-58 provides funding of \$9,740,000 for the OSC. This amount matches the President's budget request. The agency's FY 1999 appropriation was \$8,720,000 and emergency funding of \$100,000 was provided for Y2K conversion. These amounts totaled \$8,820,000. The funding level in the act is 11.7% above the \$8,720,000 and 10.4% above the \$8,820,000. The funding provided by the act was also the House-passed amount and is \$51,000 more than that passed by the Senate. According to the conference report, "the conferees are concerned about the number of backlogged cases" and "direct OSC to report back within 90 days after enactment of this Act, on the number of cases pending that have exceeded the statutory time requirements, including requirements for referral."<sup>30</sup> The OSC investigates federal employee allegations of prohibited personnel practices and, when appropriate, prosecutes before the Merit Systems Protection Board; provides a channel for whistle blowing by federal employees; and enforces the Hatch Act.

## **Federal Child Care**

P.L. 106-58 permits the use of executive branch agency funds (otherwise available for salaries) to provide child care services for low-income federal employees (section 643).

The Senate, in passing S. 1282, added a title to the bill (Amendment No. 1197) that would have established new requirements for child care facilities operated by federal agencies, including legislative and judicial branch agencies, for their employees. The provision would require that executive facilities meet state or local licensing standards within six months of the legislation's enactment, and comply with (or have made substantial progress towards complying with) standards set by a state or nationally recognized accreditation entity within three years of enactment.

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<sup>30</sup> *Congressional Record*, daily edition, vol. 145, Sept. 14, 1999, p. H8223.



The Senate bill also would have required regulations, set by the Administrator of General Services, establishing health and safety standards for federal agency child care programs. Legislative agency facilities would be required to meet a state or nationally recognized accreditation entity's standards within one year of the bill's enactment. If the legislative facility does not maintain accreditation, it must follow regulations no less stringent than those of executive agency facilities. Judicial branch facilities would also be required to meet regulations (issued by the Administrative Office of the United States Courts) pertaining to licensing and accreditation that are no less stringent than those of executive branch agencies. Executive branch agencies would be authorized to use agency funds to provide child care for employees and to improve the affordability of such care for low-income employees. The amendment would also authorize \$900,000 in fiscal year 2000, and such sums thereafter, for an interagency council of federal agencies to share best practices and coordinate policy with regard to child care. A similar amendment was offered to the FY1999 Treasury bill, adopted in the Senate, and fell in conference.

H.R. 2490, as passed by the House, July 15, 1999, included the provision (also included in S. 1282) allowing executive branch federal agencies (not including the General Accounting Office) to use agency funds to provide child care services, in a facility owned or leased by the agency, for employees of the agency, provided these funds are used to improve the affordability of child care for low-income federal employees. It did not contain the other child care provisions included in the Senate bill. However, on July 19, 1999, the Senate incorporated the provisions of S. 1282 as an amendment (Title VII) to H.R. 2490, and passed this companion measure, numbered H.R. 2490, in lieu of S. 1282.

In conference, the conferees agreed to delete Title VII of H.R. 2490. The conference report (H.Rept. 106-319) filed on September 14, 1999, and subsequently approved by the House and Senate, does not contain all of the federal child care provisions originally proposed in the Senate's bill, S. 1282. Instead, the conference report includes only the provisions contained in the original House proposal, permitting the use of agency funds (otherwise available for salaries) to provide child care services for low-income federal employees.

## **Pay Issues**

Public Law 106-58, has some significant pay provisions and is gaining a good deal of attention by provisions that are absent. Specific rates for all affected pay systems will be promulgated in late December or early January through an Executive Order.

### **President's Pay**

Section 644 provides that, effective noon January 20, 2001, the pay of the President will be increased to \$400,000 *per annum*. It has been \$200,000 since January 1969. There is a constitutional proscription on increasing or decreasing the pay of a President during the term for which he was elected. Therefore, Mr. Clinton will not benefit from this increase.

The President must pay federal income tax on his salary. There is an official expense allowance of \$50,000. That allowance, which has been the same rate since 1949, can be used for official purposes only, is not subject to income tax. Any unused portion reverts to the U.S. Treasury.

## Members of Congress and Other Federal Officials

Under the provisions of the Ethics Reform Act of 1989,<sup>31</sup> Members and other officials of Congress, the Vice President, executive branch officials, and federal judges are to receive an annual adjustment in pay. Adjustments are based on the percent of change in the private sector wages and salaries element of the Employment Cost Index (ECI) minus 0.5%. They are to go into effect at the same time as, and at a rate no greater than, the rate adjustments for the General Schedule. The rate of change in the private sector, December 1997 to December 1998, was 3.9%. Therefore the rate of pay adjustment, effective January 2000, for federal officials will be 3.4%.

The significance of this bill to the pay adjustment for federal officials is that since 1995, with the exception of the adjustment in January 1998, Congress has acted legislatively to deny themselves and other federal officials the annual adjustment. The legislative vehicle for that denial has been the Treasury appropriations bill.

Federal judges' salary adjustments are subject to further legislative activity. While the Ethics Reform Act includes those adjustments in the automatic mechanism, there is further statutory restriction.<sup>32</sup> Congress has required that they specifically authorize any such adjustment. Traditionally, that authorization has come through the Commerce, State, Justice, and Judiciary Appropriations. The FY2000 appropriations bill for those accounts (H.R. 2670), as it passed the Senate, contains the authorization. It is assumed that the bill, as it comes out of conference, will contain the authorization language. Congress has consistently authorized the pay adjustments whenever there has been an increase for other federal officials.

## Federal Employees

### General Schedule

Federal employees under the General Schedule (GS) and related pay systems will receive a 4.8% pay adjustment effective the first pay period beginning on or after January 1, 2000. Section. Under the provisions of 5 U.S.C. 5303, the national GS base pay adjustment is to be 3.8%. It is assumed that, since the President did not present an alternative plan to Congress, that rate will go into effect. The remaining 1% is to be used for locality-based payments (5 U.S.C. 5304). The explanatory language for Section 646 of the bill, as found in the conference report states

...The conferees have not made the language more specific so that the President may exercise his discretion to distribute any amount allocated for comparability-based locality payments in the most appropriate fashion among the pay localities established by the President's Pay Agent.<sup>33</sup>

The President would generally have until the end of November to submit an alternate plan relating to locality-based comparability payments. However, since the statute specifies the total pay adjustment and, in effect, limits it to a percentage rate lower than would be effective under 5 U.S.C. 5304, it may not be necessary for the President to submit such plan.

Both the House- and Senate-passed versions of the Treasury bill had assumed a federal civilian pay increase of 4.4% in January 2000. The Senate committee report stated that, in order to stay

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<sup>31</sup> P.L. 101-194; Nov. 30, 1989; 103 Stat. 1716, at 1769.

<sup>32</sup> 95 Stat. 1183.

<sup>33</sup> H.Rept. 106-319, p.87.

within its 302(b) allocations, both budget authority and outlays had to be reduced without harming essential programs. Therefore, the committee said that it “was forced to deny all requests for additional funding, to cover the remaining months of the calendar year 1999 statutory annual pay adjustment.” Employees whose salaries are administratively determined and who do not receive the government-wide adjustments were the only exception to this across-the-board reduction.<sup>34</sup> The House-passed, but not the Senate-passed Treasury bill included a statement relating to the Sense of the Congress on the federal civilian pay adjustment. President Clinton had proposed a 4.4% pay adjustment for federal employees in his FY 2000 budget. This amount was the overall average increase, including locality pay adjustments. Legislation passed the Senate (S. 4, 106<sup>th</sup> Congress) providing a 4.8% military pay adjustment.<sup>35</sup> That measure and a FY1999 emergency supplemental (P.L. 106-31) contain Sense of the Congress resolutions calling for parity between the military pay adjustment and that for civilian personnel.<sup>36</sup> The House-passed Treasury bill included this same Sense of the Congress language.

## **Federal Wage System**

Blue-collar employees paid under the Federal Wage System have their pay adjustments limited by P.L. 106-58. Section 613 continues the limitation on those adjustments to a formula based on the GS adjustments. Pay under this system is supposed to be set subsequent to wage surveys conducted in over 130 wage survey areas throughout the United States. Those surveys are conducted, but the pay adjustments have been limited through language in the Treasury bill for several years.

## **Other**

The Senior Executive Service (SES) and other pay systems, such as the Administrative Law Judges, will have the caps raised on their salaries. There are several systems which are limited to salary rates on the Executive Schedule. Those increase by 3.4% in January. The President has the responsibility, administratively, to set the specific SES rates.

## **Buy Outs and Early Retirement**

Section 411 details the procedures under which the General Services Administrator is authorized to offer voluntary separation incentives in order to provide the necessary flexibility in carrying out the closing of the Federal Supply Service distribution centers and other related activities. The authority, carrying with it a maximum payment of \$25,000, is effective through April 30, 2001.

Section 651 authorizes a voluntary early retirement for federal employees. That authority would be subject to Office of Personnel Management approval and instruction.

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<sup>34</sup> S.Rept. 106-87, p. 3.

<sup>35</sup> For an analysis of the military pay raise issue see: CRS Report RL30205, *Appropriations for FY 2000: Defense*, by Stephen Daggett.

<sup>36</sup> In addition to S. 4 and P.L. 106-31, other measures in the 106<sup>th</sup> Congress which express the desire for parity between the civilian and uniformed military pay adjustments are H.R. 1664 (as passed the House), H.Con.Res. 34 and S.Con.Res. 10.

## Major Funding Trends

In summary and prior to scorekeeping adjustments by the Congressional Budget Office (CBO), the Administration has requested a total of \$27,997,054,000 for accounts within this appropriation. The funding enacted for FY2000 under P.L. 106-58 totals \$27,972,418,000.

The House and Senate data for FY1999 enacted are different. The House shows \$27,922,712,000 as a grand total in budget authority and the Senate shows \$27,915,604,000. Using either figure, the FY2000 levels approved by the House Subcommittee and the Senate Committee represent an increase over the FY1999 enacted level of \$26,978,249,000. The House Treasury Appropriations Subcommittee recommended a FY2000 funding level of \$28,095,811,000. And the Senate Committee on Appropriations reported a funding level of \$27,737,971,000.<sup>37</sup>

FY2000 enacted mandatory funding is \$14,533,811,000, according to House documents, using CBO scorekeeping data. That figure corresponds to the FY2000 request for mandatories, compared to \$13,656,152,000 enacted for FY1999..

According to the House documents, the FY2000 request for discretionary funding is \$13,926,438,000, an increase over \$13,465,985,000, FY1999 enacted. The FY2000 enacted is \$13,706,000. The House Committee mark for discretionary funding was \$13,466,056,000 and the Senate would have provided \$13,434,138,000 in discretionary funding. The Administration is shown to have requested \$132,127,000 for the crime trust fund as compared to the FY1999 enacted level of \$132,000,000. The FY2000 enacted level is \$132,000,000. The House committee recommended that funding level. The Senate, however, would have increased the amount to \$194,000,000 in this account.

**Table 2. Appropriations for the Treasury, Postal Service, Executive Office of the President, and General Government, FY1995 to FY1999**

(in billions of current dollars)<sup>a</sup>

FY1995	FY1996	FY1997	FY1998	FY1999
23.455	23.164	24.102	25.585	27.122

**Source for FY1999:** U.S. Congress, House, Committee on Appropriations, as of July 13, 1999.

- a. These figures, in current dollars, **include CBO adjustments** for permanent budget authorities, rescissions, supplementals, as well as other elements factored into the CBO scorekeeping process. For a brief presentation on CBO scorekeeping see: U.S. Congressional Budget Office, *Maintaining Budgetary Discipline: Spending and Revenue Options* (Washington: GOP, 1999). The appendix beginning on p. 281 provides the "Scorekeeping Guidelines" as found in the conference report to the Balanced Budget Act of 1997. Also available at <http://www.cbo.gov/>.

<sup>37</sup> Funding data are derived from a detailed computer printout, dated July 13, 1999, from the House Committee on Appropriations and from Senate Report 106-87, dated June 24, 1999. The funding data for FY2000 enacted, as well as House- and Senate-passed were provided in a similar document dated September 9, 1999.

**Table 3. Treasury, Postal Service, Executive Office of the President and General Government Appropriation, FY2000, by Title**

(In millions, without CBO scorekeeping)

Title	FY1999 Enacted	FY2000 Request	House Reported	Senate Passed	FY2000 Enacted
I. Treasury	12,637.2	12,376.1	12,189.7	12,234.7	12,354.6
II. USPS	100.2	93.4	93.4	93.4	93.4
III. EOP	670.1	639.5	654.8	570.1	645.5
IV. Agencies	14,515.2	14,888.0	14,862.3	14,876.4	14,878.9
Total	27,922.7	27,997.1	27,800.1	27,774.6	27,972.4

**Source:** The source for the House data is the House Committee on Appropriations. The Senate data are also from the House Committee, as released to them by the Senate July 14, 1999. The FY2000 enacted data are provided by the House Committee on Appropriations.

**Table 4. Department of Treasury, Postal Service, Executive Office of the President, and General Government Appropriations**

(in thousands of dollars)

Bureau or Agency	FY1999 Enacted	FY2000 Request	House Reported	Senate Passed	FY2000 Enacted
<b>Title I: Department of the Treasury, Selected Accounts</b>					
Department Offices <sup>a</sup>	123,151	134,630	134,206	133,168	134,034
Department-wide systems and capital investments programs	28,690	53,561	31,017	35,561	43,961
Treasury Building Repair and Restoration <sup>b</sup>	27,000	23,000	23,000	15,000	23,000
Office of Inspector General	30,678	32,017	30,716	30,483	30,716
Inspector General for Tax Administration	—	112,207	112,207	111,340	112,207
Financial Crimes Enforcement Network	24,000	28,418	29,656	27,681	27,818
Federal Law Enforcement Training Center <sup>c</sup>	110,231	107,846	107,137	101,725	105,638
Financial Management Service <sup>d</sup>	202,490	202,670	201,320	200,054	201,320
Bureau of Alcohol, Tobacco, and Firearms <sup>e</sup>	552,769	599,859	567,059	570,345	565,959
U.S. Customs Service <sup>f</sup>	2,049,154	1,829,783	1,817,502	1,782,435	1,817,052
Bureau of the Public Debt <sup>g</sup>	172,100	177,819	176,919	176,983	177,819
Internal Revenue Service, Total <sup>h</sup>			8,109,774	8,191,135	8,248,774

<b>Bureau or Agency</b>	<b>FY1999 Enacted</b>	<b>FY2000 Request</b>	<b>House Reported</b>	<b>Senate Passed</b>	<b>FY2000 Enacted</b>
	8,375,165	8,248,774			
<i>Processing, Assistance, and Management</i> <sup>i</sup>	3,086,208	3,312,535	3,270,098	3,291,945	3,312,535
<i>Earned Income Tax Credit Compliance Initiative</i>	143,000	144,000	144,000	144,000	144,000
<i>Tax Law Enforcement</i>	3,164,189	3,336,838	3,301,136	3,305,090	3,336,838
<i>Information Systems</i> <sup>j</sup>	1,770,768	1,455,401	1,394,540	1,450,100	1,455,401
U.S. Secret Service <sup>k</sup>	692,873	666,235	667,235	643,739	672,235
Violent Crime Reduction Program (Crime Control Trust Fund)	132,000	132,127	132,000	194,000	132,000
<i>Bureau of Alcohol, Tobacco and Firearms</i>	3,000	3,000	26,800	17,847	27,920
<i>Financial Crimes Enforcement Network</i>	1,400	1,263	—	1,863	1,863
<i>Interagency Crime and Drug Enforcement</i>	24,000	49,716	27,000	28,366	14,817
U.S. Secret Service	22,628	3,196	4,200	21,950	4,200
ONDCP-HIDTA	1,000	—	—	—	—
<i>Gang Resistance Education and Training: Grants</i>	13,000	10,000	10,000	13,000	13,000
U.S. Customs Service	65,472	64,952	64,000	52,774	61,000
<i>Federal Law Enforcement Training Center</i>	—	—	—	9,200	9,200
<i>Federal Drug Control Programs: Special Forfeiture Fund</i>	—	—	—	49,000	—
<b>Total, Treasury</b>	12,637,225	12,376,130	12,189,648	12,234,649	12,354,616
<i>Appropriations</i>	10,714,759	12,376,130	12,189,648	12,234,649	12,354,616
<i>Rescission</i>	-4,500	—	—	—	—
<i>Emergency Funding</i>	1,926,966	—	—	—	—
<b>Title II: U.S. Postal Service</b>					
Payments to Postal Service Fund	100,195	93,436	29,000	29,000	29,000
(Delay in Obligation)	(-71,195)	—	—	—	—
Advance Appropriation, FY2001	—	—	64,436	64,436	64,436
Total, Postal Service <sup>l</sup>	100,195	93,436	93,436	93,436	93,436
<b>Title III: Executive Office of the President (EOP)<sup>m</sup> and Funds Appropriated to the President</b>					
Compensation of the President <sup>n</sup>	250	250	250	250	250
The White House Office (salaries and expenses)	52,344	52,444	52,444	52,444	52,444
Executive Residence at the White House (operating expenses)	8,691	9,260	9,260	9,260	9,260

Bureau or Agency	FY1999 Enacted	FY2000 Request	House Reported	Senate Passed	FY2000 Enacted
White House Repair and Restoration	—	810	810	810	810
Office of the Vice President (salaries and expenses)	3,512	3,617	3,617	3,617	3,617
Official Residence of the Vice President (operating expenses)	334	345	345	345	345
Council of Economic Advisers	3,666	3,840	3,840	3,840	3,840
Office of Policy Development	4,032	4,032	4,032	4,032	4,032
National Security Council	6,806	6,997	6,997	6,997	6,997
Office of Administration <sup>o</sup>	58,141	39,198	39,448	39,198	39,198
Office of Management and Budget	60,617	63,495	63,495	63,495	63,495
Office of National Drug Control Policy (ONDCP) <sup>p q</sup>	49,242	43,133	52,221	21,963	22,951
ONDCP Counterdrug Technology Assessment Center	—	—	—	31,100	29,250
<i>Federal Drug Control Program, High Intensity Drug Trafficking Areas Program (HIDTA)</i>	<i>184,977</i>	<i>185,777</i>	<i>192,000</i>	<i>205,277</i>	<i>192,000</i>
<i>Federal Drug Control Program, Special Forfeiture Fund</i>	<i>216,500</i>	<i>225,300</i>	<i>225,000</i>	<i>127,500</i>	<i>216,000</i>
Funds Appropriated to the President - Unanticipated needs <sup>r</sup>	21,000	1,000	1,000	—	1,000
<b>Total, EOP and Funds Appropriated to the President</b>	<b>670,112</b>	<b>639,498</b>	<b>654,762</b>	<b>570,128</b>	<b>645,489</b>
<i>Appropriations</i>	<i>607,121</i>	<i>639,498</i>	<i>654,762</i>	<i>553,128</i>	<i>645,489</i>
<i>Emergency Funding</i>	<i>62,991</i>	—	—	—	—
<b>Title IV: Independent Agencies</b>					
Committee for Purchase from People Who Are Blind or Severely Disabled	2,464	2,674	2,674	2,657	2,674
Federal Election Commission <sup>s</sup>	36,500	38,516	38,152	38,175	38,152
Federal Labor Relations Authority	22,586	23,828	23,828	23,681	23,828
General Services Administration <sup>t</sup>	643,960	158,316	146,006	156,297	151,781
<i>Federal Buildings Fund</i>	<i>450,018</i>	—	—	—	—
<i>Policy and Operations <sup>u</sup></i>	<i>158,001</i>	<i>122,158</i>	<i>110,448</i>	<i>120,198</i>	<i>116,223</i>
<i>Office of Inspector General</i>	<i>32,000</i>	<i>33,917</i>	<i>33,317</i>	<i>33,858</i>	<i>33,317</i>
<i>Allowances and Office Staff for Former Presidents</i>	<i>2,241</i>	<i>2,241</i>	<i>2,241</i>	<i>2,241</i>	<i>2,241</i>
<i>Expenses, presidential transition</i>	—	—	—	—	—
<i>Supplemental general provision (P.L. 106-583 I)</i>	<i>1,700</i>	—	—	—	—



Bureau or Agency	FY1999 Enacted	FY2000 Request	House Reported	Senate Passed	FY2000 Enacted
Merit Systems Protection Board (salaries and expenses)	25,805	27,586	27,586	27,422	27,586
Morris K. Udall scholarship and excellence in national environmental policy foundation	—	3,000	1,000	—	2,000
Environmental Dispute Resolution Fund	4,250	1,250	1,250	—	1,250
National Archives and Records Administration <sup>v</sup>	248,589	222,372	212,318	220,108	223,468
Operating Expenses <sup>w</sup>	231,276	186,452	180,398	179,738	180,398
Reduction of Debt	- 4,012	-5,598	-5,598	-5,598	-5,598
Repairs and Restoration	11,325	13,518	13,518	21,518	22,418
National Historical Publications and Records Commission: Grants Program <sup>x</sup>	10,000	6,000	6,000	6,250	6,250
Records Center Revolving Fund	—	22,000	22,000	22,000	22,000
Office of Government Ethics	8,492	9,114	9,114	9,071	9,114
Office of Personnel Management	13,480,640	14,355,105	14,354,105	14,355,105	14,354,105
Salaries and expenses	85,350	91,584	90,584	91,584	90,584
Office of Inspector General	960	960	960	960	960
Government Payment for Annuity, Employees Health Benefits	4,654,146	5,105,482	5,105,482	5,105,482	5,105,482
Government Payment for Annuity, Employees Life Insurance	34,576	36,207	36,207	36,207	36,207
Payment to Civil Service Retirement and Disability Fund	8,703,180	9,120,872	9,120,872	9,120,872	9,120,872
Office of Special Counsel <sup>y</sup>	8,820	9,740	9,740	9,689	9,740
United States Tax Court	32,765	36,489	36,489	34,179	35,179
<b>Total, Independent Agencies</b>	<b>14,515,180</b>	<b>14,887,990</b>	<b>14,862,262</b>	<b>14,876,384</b>	<b>14,878,877</b>
Appropriations	14,399,368	14,887,990	14,866,262	14,880,184	14,880,877
Rescissions	—	—	-4,000	-3,800	-2,000
Emergency Funding	115,812	—	—	—	—

**Source:** U.S. Congress, House, Committee on Appropriations, as of September 9, 1999.

**Table 4 Notes:**

- Treasury Departmental Offices—FY1999 enacted includes the following emergency funding accounts: Salaries and expenses, \$1,500,000 for counterdrug activities and \$1,238,000 for Y2K conversion; and three Automation enhancement funding points for Y2K conversion, totaling \$52,665,000.
- Treasury Building Fund—FY1999 statute requires delay in obligating the \$27,000,000 until the close of the fiscal year.
- Law Enforcement Training Center—FY1999 enacted includes \$3,548,000 in emergency funding for antiterrorism.
- Financial Management Center—FY1999 enacted includes \$6,000,000 in emergency funding for Y2K conversion.
- ATF—FY1999 enacted includes three Y2K conversion funding points totaling \$11,195,000 and excludes \$2,206,000 delayed obligation of appropriated funds. The Y2K funding was subject to a rescission of

- \$4,500,000. Neither congressional version includes the budget request for \$15,000,000 to fund laboratory facilities and headquarters.
- f. Customs—FY1999 enacted includes three emergency funding counterdrug items totaling \$276,000,000, Y2K conversion emergency funding at \$10,200,000, and excludes \$9,500,000 delayed obligation of appropriated funds. Note that the Committee print out provides the total shown for FY1999 enacted, however, a tally of the individual accounts shown results in a total of \$2,037,953,000. The Senate report shows another \$1,701,000.
  - g. Public Debt—FY1999 enacted includes \$1,000,000 in Y2K conversion emergency funding.
  - h. IRS—Total for IRS reflects funding adjustments presented in notes for specific accounts within the IRS account.
  - i. Processing—FY1999 enacted does not reflect \$130,000,000 delayed obligation of appropriated funds.
  - j. Information Systems—FY1999 enacted includes \$483,000,000 and \$22,312,000 in Y2K conversion emergency funding.
  - k. U.S. Secret Service—FY1999 enacted includes \$80,808,000 in emergency funding for antiterrorism and two emergency funding items totaling \$3,695,000 for Y2K conversion. It does not exclude \$5,000,000 delayed obligation of appropriated funds.
  - l. USPS—FY1999 does not exclude \$71,195 delayed obligation.
  - m. The Council on Environmental Quality/Office of Environmental Quality, Office of Science and Technology Policy, and the Office of the United States Trade Representative are funded under other appropriations.
  - n. Since 1969, the President's salary has been \$200,000 *per annum*. Since 1949, the expense allowance has been \$50,000 *per annum*.
  - o. Off. of Admin.—FY1999 enacted includes three Y2K conversion items of emergency funding totaling \$29,791,000.
  - p. ONDCP—FY1999 enacted includes counterdrug emergency funding of \$1,200,000. P.L. 106-58 creates a new line item which would fund the Counterdrug Technology Assessment Center separately, instead of previous practice of including it in the general ONDCP account.
  - q. ONDCP Federal Drug Control—Since these funds are not for operations of the Executive Office of the President (EOP), but are to be transferred to federal, state and local agencies for anti-drug operations, they are not included in the EOP operations funds. The funds are under the control of the ONDCP. FY1999 enacted for the Special forfeiture fund includes \$2,000,000 in counterdrug emergency funding.
  - r. Unanticipated Needs—FY1999 enacted reflects \$30,000,000 in emergency funding, as reduced by a \$10,000,000 rescission.
  - s. FEC—FY1999 enacted includes \$243,000 in emergency funding for counterdrug.
  - t. GSA total—FY1999 enacted includes \$22,503,000 in emergency funding. The FY1999 agency regular appropriation was \$593,853,000.
  - u. GSA Policy and Operations—The House documents show FY1999 enacted with five Y2K conversion items of emergency funding totaling \$48,407,000. The Senate Report shows FY1999 enacted with four Y2K conversion items of emergency funding totaling \$41,299,000.
  - v. NARA total—FY1999 enacted includes \$6,662,000 in Y2K conversion emergency funding, but does not exclude a total of \$11,861,000 delayed obligations.
  - w. NARA Operating expenses—FY1999 enacted includes \$6,662,000 in Y2K conversion emergency funding, but does not exclude \$7,861,000 delayed obligations.
  - x. NARA/NHPRC—FY1999 does not include a \$4,000,000 obligation delay. The FY2000 totals do not reflect proposed rescissions of \$4,000,000 and \$3,800,000 by the House and Senate respectively.
  - y. OSC—FY1999 enacted includes \$1,00,000 in Y2K conversion emergency funding.

## Glossary of Budget Process Terms

The following definitions are selected from the “Glossary of Budgetary Terms” as found in *Manual on the Federal Budget Process*, a CRS report (98-720) by Robert Keith in consultation with Alan Schick.

**Account.** A control and reporting unit for budgeting an accounting.

**Appropriation.** A provision of law providing budget authority that permits federal agencies to incur obligations and to make payments of the U.S. Treasury for specified purposes. Annual appropriations are provided in appropriations acts; most permanent appropriations are provided in substantive law.

**Authorization.** A provision in law that authorizes appropriations for a program or agency.

**Budget Authority.** Authority provided by law to enter into obligations that normally result in outlays. The main forms of budget authority are appropriations, borrowing authority, and contract authority.

**Budget Resolution.** A concurrent resolution passed by both Houses of Congress, but not requiring the signature of the President, setting forth the congressional budget for at least the next five fiscal years. The budget resolution sets forth various budget totals and functional allocations, and may include reconciliation instructions, to designated House or Senate committees.

**Continuing Resolution.** An act (in the form of a joint resolution) that provides budget authority to agencies or programs whose regular appropriation has not been enacted after the new fiscal year has started. A continuing resolution usually is a temporary measure that expires on a specified date or is superseded by enactment of the regular appropriations act. Some continuing resolutions, however, are in effect for the remainder of the fiscal year and are the means of enacting regular appropriations.

**Direct Spending.** Budget authority, and the resulting outlays, provided in laws other than annual appropriations acts. Appropriated entitlements are classified as direct spending. Direct spending is distinguished by the Budget Enforcement Act from discretionary spending and is subject to the PAGO rules. It is also referred to as “mandatory spending.”

**Discretionary Spending.** Budget authority, and the resulting outlays, provided in annual appropriations acts, but not including appropriated entitlements.

**Federal Funds.** All monies collected and spent by the federal government other than those designated as trust funds. Federal funds include general, special, public enterprise, and intragovernmental funds.

**Mandatory Spending.** See “Direct Spending.”

**Obligation.** A binding agreement (such as through a contract or purchase order) that will require payment.

**Outlays.** Payments made (generally through the issuance of checks or disbursement of cash) to liquidate obligations. Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year.

**PAGO (Pay-as-You-Go) Process.** The procedure established by the Budget Enforcement Act to ensure that revenue and direct spending legislation does not add to the deficit or reduce the surplus. PAGO requires that any increase in the deficit or reduction in the surplus due to legislation be offset by other legislation or sequestration. PAGO is enforced by estimating the five-year budgetary effects of all new revenue and direct spending laws.

**Reconciliation Process.** A process established in the Congressional Budget Act by which Congress changes existing laws to conform tax and spending levels to the levels set in a budget resolution. Changes recommended by committees pursuant to a reconciliation instruction are incorporated into a reconciliation bill.

**Revolving Fund.** An account or fund in which all income derived from its operations is available to finance the fund’s continuing operations without fiscal year limitation.

**Scorekeeping.** Procedures for tracking and reporting on the status of congressional budgetary actions affecting budget authority, receipt, outlays, the surplus or deficit, and the public debt limit.

**Supplemental Appropriation.** Budget authority provided in an appropriations act in addition to regular or continuing appropriations already provided. Supplemental appropriations acts sometimes include items not included in regular appropriations acts for lack of timely authorization.

**Trust Funds.** Accounts designated by law as trust funds for receipts and expenditures earmarked for specific purposes.

**User Fees.** Fees charged to users of goods or services provided by the federal government. In levying or authorizing these fees, Congress determines whether the revenue should go into the U.S. Treasury or should be available to the agency providing the goods or services.

## **For Additional Reading**

### **CRS Issue Briefs**

CRS Issue Brief IB98024, *Federal Employees and the FY1999 Budget*, by Sharon S. Gressle.

CRS Issue Brief IB95035, *Federal Regulatory Reform: An Overview*, by Roger Garcia.

CRS Issue Brief IB10014, *Gun Control*, by Keith Alan Bea and William J. Krouse.

CRS Issue Brief IB89148, *Item Veto and Expanded Impoundment Proposals*, by Virginia A. McMurtry.

CRS Issue Brief IB95083, *Postal Service's Mail Monopoly: Is It Time for Change?*, by Bernevia McCalip.

CRS Issue Brief IB97036, *The Year-2000 Problem: Congressional Issues*, by Richard Nunno.

### **CRS Info Packs**

CRS Info Pack 517G, *Government Performance and Results Act: implementing the results*.

### **CRS Reports**

CRS Report 97-635, *The Balanced Budget Act of 1997: Retirement and Health Insurance Provisions for Postal and Federal Personnel*, by Carolyn L. Merck.

CRS Report 98-829, *Brady Act Firearm Purchase Requirements Summarized*, by Keith Bea.

CRS Report 98-814, *Budget Reconciliation Legislation: Development and Consideration*, by Bill Heniff, Jr.

CRS Report RL30021, *Child Care Issues in the 106<sup>th</sup> Congress*, by Karen Spar and Melinda T. Gish.

CRS Report RS20255, *Civil Service Retirement Bills in the 106<sup>th</sup> Congress*, by Patrick J. Purcell.

CRS Report 97-892, *Continuing Appropriations Acts: Brief Overview of Recent Practices*, by Sandy Streeter

CRS Report 97-1008, *Federal Pay: FY1999 Salary Adjustments*, by Barbara L. Schwemle.

- CRS Report 98-956, *Federal Pay: FY2000 Salary Adjustment*, by Barbara L. Schwemle.
- CRS Report RS20403, *FY2000 Consolidated Appropriations Act: Reference Guide*, by Robert Keith.
- CRS Report RS20257, *Government Performance and Results Act: Brief History and Implementation Activities During the First Session of the 106<sup>th</sup> Congress*, by Genevieve J. Knezo.
- CRS Report 97-382, *Government Performance and Results Act: Implications for Congressional Oversight*, by Frederick M. Kaiser and Virginia A. McMurtry.
- CRS Report 97-70, *Government Performance and Results Act, P.L. 103-62: Implementation Through Fall 1996 and Issues for the 105<sup>th</sup> Congress*, by Genevieve J. Knezo.
- CRS Report RS20183, *Immigration and Naturalization Service's FY2000 Budget*, by William J. Krouse.
- CRS Report 98-4, *Implementation of P.L. 105-206: Personnel Management Flexibility for the Internal Revenue Service*, by Barbara L. Schwemle.
- CRS Report 98-721, *Introduction to the Federal Budget Process*, by Robert Keith.
- CRS Report 98-720, *Manual on the Federal Budget Process*, by Robert Keith.
- CRS Report 97-72, *Performance-Based Organizations in the Federal Government: A Reinvention Innovation*, by Harold C. Relyea.
- CRS Report 97-974, *Reorganization Proposals for U.S. Border Management Agencies*, by Frederick Kaiser.
- CRS Report 98-53, *Salaries of Federal Officials*, by Sharon S. Gressle.
- CRS Report RL30014, *Salaries of Members of Congress: Current Procedures and Recent Adjustments*, by Paul E. Dwyer.
- CRS Report 97-1011, *Salaries of Members of Congress: Payable Rates and Effective Dates, 1789-1999*, by Paul E. Dwyer.
- CRS Report RS20114, *Salary of the President Compared with That of Other Federal Officials*, by Sharon S. Gressle.
- CRS Report RS20115, *Salary of the President: Process for Change*, by Sharon S. Gressle.
- CRS Report 98-844, *Shutdown of the Federal Government: Causes, Effects, and Process*, by Sharon S. Gressle.
- CRS Report 97-216, *Treasury-Inflation Protection Securities: A Fact Sheet*, by James Bickley.
- CRS Report 97-134, *Treasury-Inflation Protection Securities: Description, Goals, and Policy Issues*, by James Bickley.
- CRS Report 98-202, *Treasury, Postal Service, Executive Office of the President, and General Government: Appropriations for FY1999*, by Sylvia Morrison and Sharon S. Gressle.
- CRS Report 98-377, *Year 2000 Problem: Chronology of Hearings and Legislation in the 104<sup>th</sup> and 105<sup>th</sup> Congresses*, by Richard Nunno.
- CRS Report 98-967, *Year 2000 Problem: Potential Impacts on National Infrastructures*, by Richard Nunno.

## Other Readings

Syracuse University, Maxwell School of Citizenship and Public Affairs, Government Performance Project, *Grading Government*, (Syracuse, N.Y.: Syracuse University, February 1999).

U.S. Congress, Senate, Committee on Appropriations, *Treasury and General Government Appropriation Bill, 2000*, report to accompany s. 1282, 106<sup>th</sup> Cong., 1<sup>st</sup> sess., S.Rept. 106-5887 (Washington: GPO, 1999).

U.S. Congressional Budget Office, *Maintaining Budgetary Discipline: Spending and Revenue Options* (Washington: GPO, 1999). [Available on CBO Web site.]

U.S. Department of the Treasury, U.S. Customs Service, *U.S. Customs Service Strategic Plan (FY97-02)*, by Commissioner of Customs George Weiss, (Washington: U.S. Customs Service, August 1, 1997).

U.S. General Accounting Office, High Risk Series, *IRS Management*, GAO report HR 97-8, (Washington: February 1997).

———, *Customs Service: Comments on Strategic Plan and Resource Allocation Process*, GAO report GGD-98-15, (Washington: October 16, 1998).

———, *Major Management Challenges and Program Risks: Department of the Treasury*, GAO report OCG-99-14, (Washington: October 21, 1998).

U.S. Office of Management and Budget, *Progress on Year 2000 Conversion, A Quarterly Report to Congress*, (Washington: March 1999).

## Selected World Wide Web Sites

Important information regarding current and past budgets (including budget documents), the federal budget process, and duties and functions are available at the following web or gopher sites.

Congressional Budget Office (CBO).

<http://www.cbo.gov>

General Accounting Office (GAO).

<http://www.gao.gov>

National Commission on Restructuring the Internal Revenue Service

<http://www.house.gov/natcommirs/main.htm>

Office of Government Ethics

<http://www.usoge.gov>

Office of Management and Budget (OMB).

<http://www.whitehouse.Gov/WH/EOP/OMB/html/ombhome.html>

Office of Management and Budget, Statements of Administration Policy (SAPS)

<http://www.whitehouse.Gov/WH/EOP/OMB/SAP>

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Secret Service	Stephanie Smith	G&F
Year 2000 Conversion	Richard Nunno	RSI

Division abbreviations: G&F = Government and Finance; DSP = Domestic Social Policy; RSI=Resources, Science, and Industry.

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